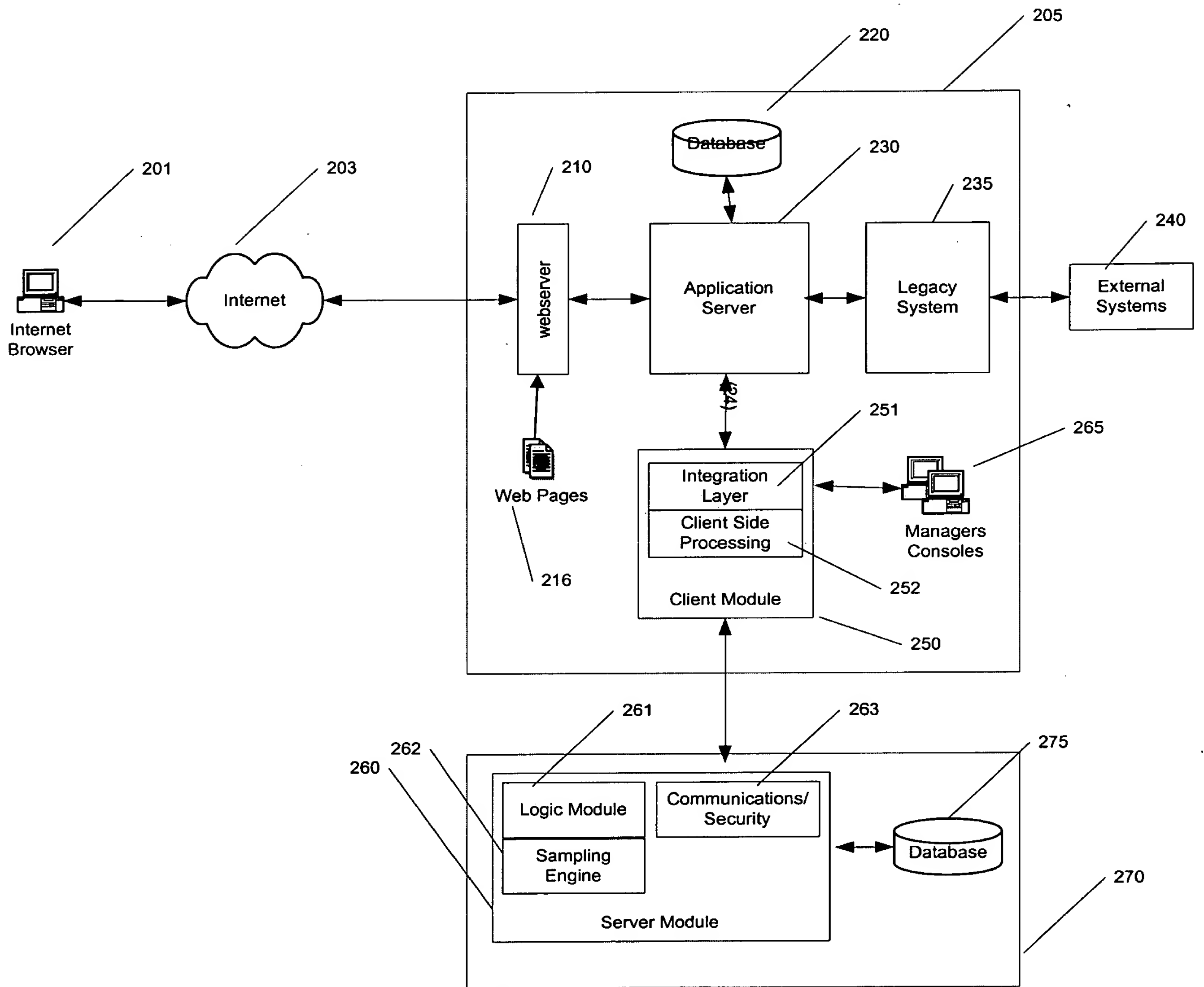




7

Fig. 2



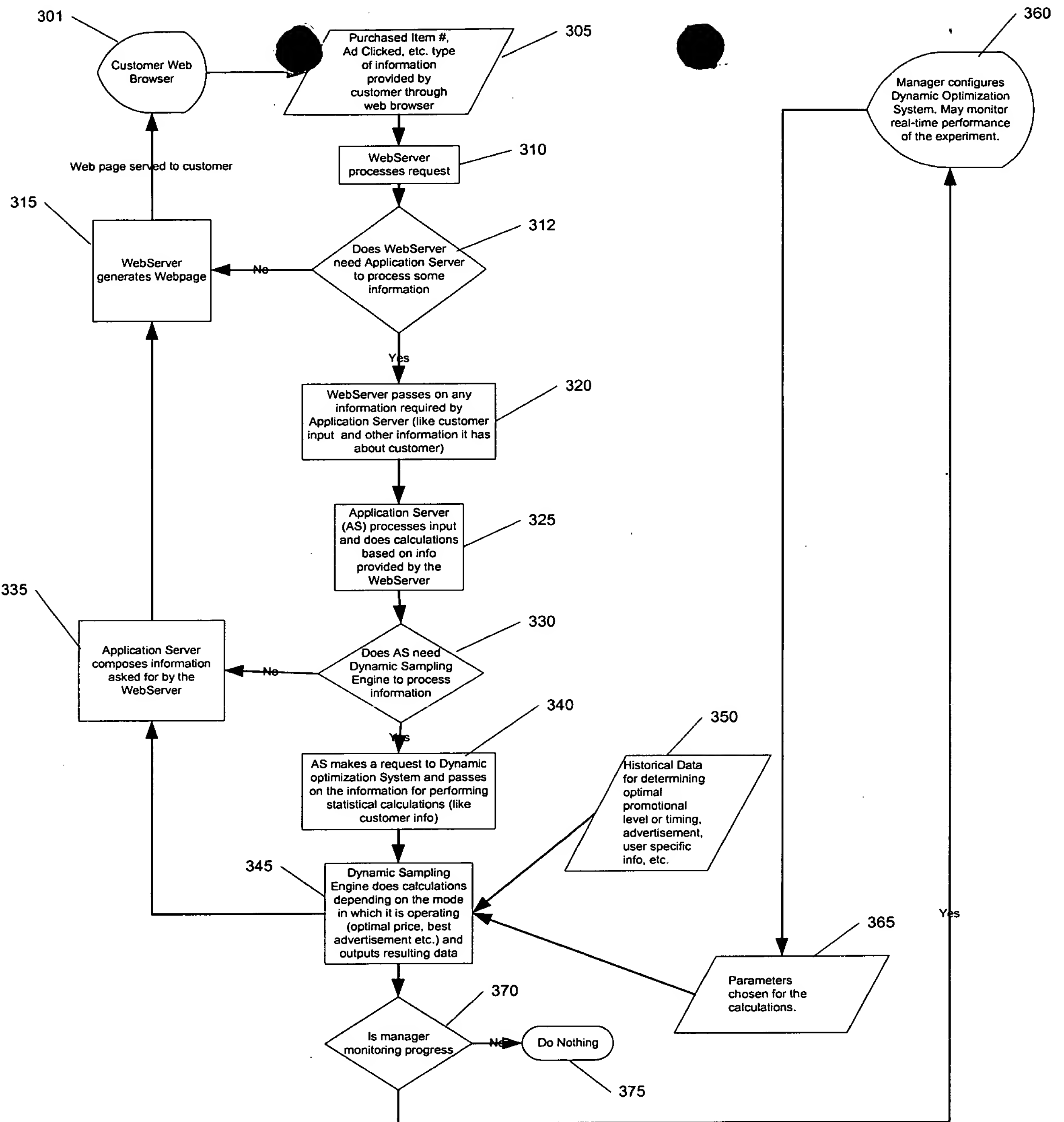


Fig. 3

# Customer Retention Flowchart

400

Managerial input from virtual control room:

1. State objective function: maximum customer retention; max profit from defunct customers.
2. Specify defunct or exit probability thresholds. Define them by segment, if necessary.
3. Specify promotion experiment levels: range, interval.

410

Use historical data to identify probability of exit. Perform on a segment basis.

415

420

Does exit probability exceed thresholds?

NO

Wait for additional unit time.

423

425

Did customer interact?

NO

YES

262

Dynamic sampling engine

Direct data to and from the web.

435

YES

428

End

YES

Indicate current probabilities of exit conditional on lapsed time since last visit and response to various promotions.

440

End

445

Fig. 4